



MEMO

TO: All Employer of Record participants
FROM: The Arc of Oakland County — Fiscal Intermediary
RE: New Overtime Rules

******* IMPORTANT INFORMATION *******

On October 8, 2015 the U.S. Supreme court denied a request to delay the effective date of the Fair Labor Standards Act (FLSA) Home Care Rule. What this means is that effective immediately Home Care Workers (CLS and Respite) must be paid for time and a half for any hours worked over 40 hours in a week. Full enforcement by the Department of Labor will commence on January 1, 2016.

What this means to you:

- Your staff cannot work more than 40 hours in a work week without being paid time and a half.
- Your Medicaid budget does not allow for overtime.
- If your staff works more than 40 hours in any given week, you as the employer will be responsible for the overtime and all related payroll taxes.
- You cannot reduce your staff's wages to compensate for the cost of overtime.
- You may have to hire an additional staff person so that you can utilize your authorized hours. Additional staff may require the purchase of Worker's Comp Insurance. Please check with your FI specialist.
- If a worker works both CLS and Respite during the week, the hours will be combined for total hours worked. This means that a worker cannot work 30 hours CLS and then provide an overnight in the same week as this is more than 40 hours.
- Please remember MORC limits all staff to no more than 55 hours per week.

Please see enclosed for an updated Employer of Record Timesheet. Bullet points 8 and 9 have been added in enforcement of this new policy.